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SUBJECT: EAST AFRICAN FEDERATION GETS BIGGER

REFERENCE: KAMPALA 0511

¶1. Summary. Rwanda and Burundi were admitted to the East African Community (EAC) during a regional summit in Kampala on June 18. The expanded community increased the number of member states which also includes Kenya, Tanzania and Uganda. The EAC leaders committed to working together for socioeconomic improvement. For Uganda, the enlarged community represents an expanded regional block and an attractive destination for investors. End Summary.

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Rwanda and Burundi Join Regional Block  
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¶2. On June 18, Rwanda and Burundi joined the East African Community (EAC) at the fifth Extra-Ordinary Summit of the Heads of State, after signing the treaties of consent. The two countries fulfilled the key requirements for joining the community which included having a border with one of the three countries, possessing a democratically elected government, and operating a free market economy. EAC membership of Rwandan and Burundi took effect on July 1, 2007.

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The Benefits of Regional Integration  
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¶3. The EAC region has the potential to be a formidable economic power with a land of 19 million sq kilometers of Africa's most productive landscapes and continued GDP growth of over \$40 billion. The social-economic benefits are also potentially largeenormous; it includes free movement of labor across borders, intra-trade activities, common external tariffs strengthened bargaining power, and protection of common interests.

¶4. The admission of Rwanda and Burundi to the EAC would contribute to Africa's current efforts for a strategy to deal with deep-rooted structural problems that hinder development. In addition, the integration could contribute to member states overcoming constraints like small size, market limitations and structural challenges.

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Leaders Embrace Integration  
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¶5. Paul Kagame described admission to the EAC as an important milestone, not only for the people of Rwanda, but for EA. He said, "it marks our formal entry into a family of nations with long historical and cultural ties, which provides an opportunity for wider and deeper integration." He added that "a united and prosperous EAC will enable us to assert our collective interests as a stronger economic bloc in Africa and in the Global world." Pierre Nkurunziza of Burundi said that it was a rare pleasure and honor for his country to join the EAC. He appeared particularly pleased with the summits proceedings, according to journalists covering the event.

17. Speaking about the two new member states, Tanzania's President Jakaya Kikwete said, "the expanded membership gives reason to hope and celebrate to overcome backwardness and underdevelopment." Kenya's Mwai Kibaki said "the accession of Rwanda and Burundi completes the link as the two countries are geographically, culturally and economically connected to the region." President Museveni said the community was the only answer to the "colonial irrationalities" that divided Africa with artificial borders. He said the EAC was the most well-placed to lead Africa out of the "straight jacket of political balkanization."

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Integration faces Challenges  
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18. Despite potential benefits, the EAC region is among the poorest in the sub-Saharan Africa and in the world. It is one of the most affected by HIV/AIDs. All the countries (apart from Kenya) that were surveyed have been ranked by Transparency International as among the most corrupt in the world. Rwanda and Burundi will likely face stiff competition from partner states whose manufacturers dominate the region's market.

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Comment  
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19. GOU officials were pleased with the attendance and the outcome of the EAC summit. It is anticipated that the expanded EAC will assist the region's unity. The accession of Rwanda and Burundi to the EAC received wide media coverage. Ugandans welcome the economic benefits that come with the integration. Other EAC issues to watch are, fast tracking of the political federation and harmonizing of the region's configuration negotiations with the EU, in respect to

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World Trade Organization rules governing liberalized trade and stages of integration.  
End Comment.  
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